

AVRA VALLEY IRRIGATION AND DRAINAGE DISTRICT, PIMA COUNTY, ARIZONA

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November 6, 2002

Mr. J. Tyler Carlson, Regional Manager
Western Area Power Administration
Desert Southwest Region
Post Office Box 6457
Phoenix, Arizona 85005-6457

Re: Parker-Davis Reallocation - Opposition to PMI and EPAM: Request for
Total Reallocation to Eligible Preference Utilities and Renewal to Existing
Small and Intermediate Sized Customers - Including Cooperatives

Dear Mr. Carlson:

The Avra Valley Irrigation and Drainage District ("District") is a political subdivision of Pima County and the State of Arizona, and is an entity eligible to be (but currently is not) a federal preference customer. It furnishes electricity to District-owned wells to provide affordable irrigation water to help keep agriculture viable in Pima County, Arizona. The District has no allocation of Federal power and is precluded from participating in the benefits of the Federal Power Program that accompany a minimum allocation. While the District receives some Hoover power from the Arizona Power Authority, it has no allocation of Federal power in its own name. The District is in critical need of one megawatt of Parker Davis power for its agriculture to continue being viable.

The benefits of Parker-Davis have been the private preserve of some entities for over 40 years, and it is time to assure the people of the United States that the allocation is for the greatest good for the greatest number of preference utilities. The resource should be equitably reallocated with great deference to the small and intermediate-sized municipal and cooperative utility entities within the marketing area that have utility functions and need Parker-Davis to continue to be economically viable as operating utilities.

Otherwise, the District supports the complete reallocation of Parker-Davis to preference utilities. It opposes implementation of the PMI and the EPAM, and opposes using a 6% percent withdrawal pool (such a pool is too small and hurts small entities like Wickenburg, Thatcher and Fredonia). There should be no reduction of the allocation to smaller preference

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utility entities or to the Arizona Electric Power Cooperative ("AEPCO"). This allocation to AEPCO is an allocation based on the needs of its member cooperatives, and AEPCO is the agent of those entities. Each of them need their share of Parker-Davis to remain economically viable. Upon reallocation, Western should implement 20-year contracts.

Western should have a regard for the history of the resource, the legality of uses by current contractors and should be creative in meeting the existing needs of the small and intermediate-sized municipal and cooperative utility entities while finding the sufficient resource to meet needs of new entities.

The District requests an allocation of one (1) megawatt of the Parker-Davis resource. It will supply the appropriate documentation at the appropriate time. If the District's suggestion is adopted, none of the small or intermediate sized current Parker-Davis customers, including the Cooperatives, would or should lose any allocation.

Very truly yours,

AVRA VALLEY IRRIGATION & DRAINAGE DISTRICT,
PIMA COUNTY, ARIZONA

By 
C/O 14901 N. Aguirre Road,
Marana, Arizona 85653

Cc Board of Directors